

**REMARKS**

Claims 1-5 and 7-26 are pending. Claims 1, 2, 14, 15, 17 and 22 have been amended. Support is found throughout the specification. No new matter is introduced by way of this amendment.

**Claim Rejection under 35 USC §§ 101 and 112**

Claims 1-5 and 7-26 are rejected under 35 USC §§ 101 and 112 as failing to provide a utility. The Office Action suggested that the claims lacked patentable utility because the "claims do not recite any particular improvement or resultant characteristic that is imparted to proteins generated by the instant method or how analysis of the resultant secondary protein sequences would be used to yield any useful information." While Applicants respectfully disagree, it is noted that the claims have been amended in an effort to further prosecution of this application. Applicants submit that the claims recite a method that results in the generation of a secondary library of amino acid sequences that are selected based on at least one desired characteristic relative to a target protein. The claimed method results in synthesizing and screening for the at least one desired characteristic. Thus, the claimed methods do set forth an improvement and an indication of how the analysis of the secondary protein sequences would be used to yield useful information. Accordingly, Applicants respectfully submit that the claims are patentable. Applicants respectfully request the Examiner to withdraw the rejections under 35 USC §§ 101 and 112.

**CONCLUSION**

Applicants believe the present application is in condition for allowance. Early favorable communication thereof is respectfully requested. Please direct any calls in connection with this application to the undersigned at (415) 442-1216.

While Applicants believe that no other fees are due at this time, the Commissioner is authorized to charge any fees, including extension fees or any other relief that may be required, in connection with this reply to Deposit Account 50-0310 (Docket No.: 67461-5041US06).

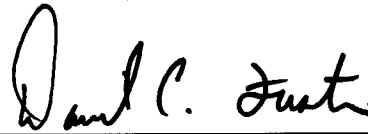
The undersigned is an attorney or agent of record.

MORGAN, LEWIS & BOCKIUS LLP

Dated: January 3, 2008

Customer No.: 67374  
Morgan, Lewis & Bockius LLP  
One Market, Spear Street Tower  
San Francisco, CA 94105  
Telephone: (415) 442-1000  
Facsimile: (415) 442-1001

By:



David C. Foster, Reg. No. 44,685 for  
Robin M. Silva, Reg. No. 38,304  
Attorney of Record for Applicant  
Filed Under 37 C.F.R. 1.34